

the underlying, and properly estimated, total service long run incremental cost ratios for those transport components.

31. Local switching costs have been declining dramatically in recent years. USWC has not provided a solid evidentiary foundation for increasing its local switching charge, in view of such cost declines.

32. Revenue neutrality associated with local transport restructure ("LTR") in this proceeding would result in a residual interconnection charge so large it would render LTR economically meaningless in this proceeding. Local transport restructure is an issue appropriately addressed in USWC's pending general rate increase case.

33. USWC's proposal to omit its intra-LATA foreign exchange service from the access tariff was based on implementing LTR in this proceeding. Since the Commission rejects the LTR tariff filing in this proceeding, eliminating the intra-LATA foreign exchange service from its access tariff should be addressed in USWC's general rate increase case.

34. USWC's EICT proposal does not fully specify how the EICT substitutes for the restructured switched access rate elements that would otherwise apply. Another deficiency in USWC's proposal is that virtual collocation rate elements are not based on long run incremental cost studies.

### CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of these proceedings and the parties.

2. USWC's proposed tariff revisions filed in Docket No. UT-941464 state rates, charges, and practices that are not shown to be fair, just, and reasonable, and are shown to be unjustly discriminatory and unduly preferential.

3. The Commission should reject the tariff revisions filed in Docket No. UT-941464.

4. The rates GTE has offered ELI and TCG to terminate local (including EAS) traffic on GTE's network are not fair, just, or reasonable, and are anticompetitive.

5. The terms for local interconnection that GTE has offered ELI and TCG are anticompetitive and subject ELI and TCG to undue or unreasonable prejudice or disadvantage in violation of RCW 80.36.170 and RCW 80.36.186, and are discriminatory in violation of RCW 80.36.180.

6. The Commission should grant the complaints of TCG and ELI, in part, and should order GTE to interconnect with ELI and TCG on the same terms and conditions as it interconnects with USWC and other incumbent LECs. It should order GTE to file a local

interconnection tariff providing for the exchange of local (including EAS) traffic with ELI and TCG on a bill and keep basis.

7. The use of mutual traffic exchange or bill and keep compensation structure on an interim basis results in compensation to local exchange companies that is fair, just, reasonable, and sufficient.

8. The Commission should direct USWC, GTE, TCG, and ELI to develop a plan for the implementation of true number portability and return to the Commission with a recommendation by July 1, 1996.

9. The Commission should direct USWC and GTE to file tariff revisions proposing a replacement for bill and keep by July 1, 1996.

10. Commission Staff and interested persons should hold a workshop (which should include a Commission facilitator) to explore how mediation or alternative dispute resolution can be used to settle differences regarding the terms of physical interconnection. Staff should report back to the Commission on whether an industry consensus has emerged, and on any other recommendations Staff or other participants may have for resolving disputes, by July 1, 1996.

11. The Commission should dismiss the counterclaim of USWC in Docket No. UT-941465, and should dismiss the counterclaim of GTE in Docket No. UT-950146.

12. The Commission should dismiss the third party complaint of GTE in Docket No. UT-950146.

13. All motions made in the course of this proceeding which are consistent with findings and conclusions made in this Order should be deemed granted and those inconsistent should be deemed denied.

### ORDER

#### THE COMMISSION ORDERS:

1. The tariff revisions filed in Docket No. UT-941464 are rejected in their entirety. USWC is ordered to file tariff revisions, which also shall include terms and conditions for bill and keep on an interim basis, in the form found to be appropriate in the body of this order.

2. The local transport restructure is removed to USWC's general rate increase case; appropriate portions of the record evidence relating to that issue will be incorporated into the record in that proceeding.

3. The complaint of TCG Seattle filed against GTE in Docket No. UT-950146 is granted, in part. GTE is ordered to interconnect with TCG on the same terms and conditions as it interconnects with USWC and other incumbent LECs, including, on a transitional basis, terminating the local (including EAS) traffic of TCG on a bill and keep basis.

4. The complaint of Electric Lightwave, Inc., filed against GTE in Docket No. UT-950265 is granted, in part. GTE is ordered to interconnect with ELI on the same terms and conditions as it interconnects with USWC and other incumbent LECs, including, on a transitional basis, terminating the local (including EAS) traffic of ELI on a bill and keep basis.

5. GTE is ordered to offer 9-1-1, TDD, directory listings, operator services, and directory assistance to TCG and ELI on the same rates, terms, and conditions as it offers those services to other incumbent local exchange companies.

6. GTE is ordered to file a local interconnection tariff pursuant to the terms of this order.

7. The counterclaim of USWC in Docket No. UT-941465 is dismissed.

8. The counterclaim of GTE in Docket No. UT-950146 is dismissed.

9. The third party complaint of GTE against USWC in Docket No. UT-950146 is dismissed.

10. The interconnection arrangements required by this order shall be tariffed and filed no later than 20 days after entry of this order, with a stated effective date at least ten working days after the filing date.

11. The refiled tariff pages shall bear the notation that the tariffs are filed authority of the Commission's FOURTH SUPPLEMENTAL ORDER IN DOCKET NOS. UT-941464, et al.

12. The compliance filing required by this order is strictly limited in scope to effectuate the terms of the Commission's decision and order.

13. USWC, GTE, TCG, and ELI are ordered to develop a plan for implementation of true number portability, in consultation with one another (and with other members of the industry, if they so choose), and return to the Commission with a recommendation no later than July 1, 1996.

14. USWC and GTE both are ordered to file tariff revisions proposing a replacement for bill and keep, no sooner than July 1, 1996, and no later than July 15, 1996.

15. Commission Staff shall convene a workshop to explore with interested persons use of mediation or alternative dispute resolution to settle differences regarding the terms of physical interconnection. Staff shall report back to the Commission on whether an industry consensus has emerged, and on any other recommendations Staff or other participants may have for resolving disputes, by July 1, 1996.

16. The Commission retains jurisdiction over the subject matter and the parties to effectuate the provisions of this order.

17. All outstanding motions consistent with this order are deemed granted. Those inconsistent with this order are deemed denied.

DATED at Olympia, Washington, and effective this 31st  
day of October 1995.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD HEMSTAD, Commissioner



WILLIAM R. GILLIS, Commissioner

NOTICE TO PARTIES:

This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-09-820(1).